



DEPARTMENT OF HEALTH & HUMAN SERVICES
BEHAVIORAL HEALTH DIVISION

Milwaukee County

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To: Wiser Choice Provider Network

From: Walter Laux, Director Community Services Branch

Re: Current and Future Funding Reductions

Earlier this year the State reduced the TANF allocation to Milwaukee County by \$512,600. The TANF reduction from the State was a direct result of the State budget deficit that was passed on to Milwaukee County. Additionally, the State biennial budget passed earlier this summer repealed all provisions relating to the Female Offender Reentry Enhanced Program (FOREP), thus eliminating the balance of funding for this year. Further, Milwaukee County received notification on June 30, 2009 that the Federal government has reduced the ATR grant by \$214,500 because Milwaukee County did not meet the 80% GPRA compliance threshold. These reductions in Federal and State funds, is forcing BHD to take action now to prevent future deficit spending.

As a result, Milwaukee County must reduce costs to match the State and Federal cuts. AODA residential treatment continues to be the most expensive service and serves the fewest number of people relative to other clinical levels of care. The residential cap on the system is being reduced from 131 slots to 115 slots, or a 12.5% reduction consistent with the State and Federal reductions. The new individual residential caps by agency are as follows:

<i>Agency</i>	<i>Current Cap</i>	<i>Reduced Cap</i>
Adrianna	6	5
Genesis	32	28
Harambee	8	7
Horizon	2	2
Matt Talbot	16	14
Meta House	27	24
SRRR	8	7
UCC	18	16
White's	14	12

Effective immediately, providers will not schedule any new intakes. All new requests for a residential level of care will be added to the waitlist, and new admissions will not occur until the selected provider is under their cap. Service authorization requests for those currently receiving residential care will continue to be processed. Any pending intakes already planned for admission as a result of the received Provider Feedback Form will be honored.

Milwaukee County will not authorize payment for any provider to exceed their cap once they reach their cap limit. Pregnant women will continue to receive priority placement off of the waitlist. Interim services via outpatient and day treatment will be made available to them within 48 hours if they cannot be admitted to residential treatment. In order to create residential clinical treatment capacity and support women on the waitlist, residential providers certified to admit children into their program are not authorized to exceed 25% of their total agency slot capacity for children to be funded by Milwaukee County.

The Central Intake Units, with BHD approval, recently expanded the number of enrollments to achieve the ATR client count numbers as required under the grant. We have now achieved our client count numbers according to SAMHSA, and must limit the enrollments to maintain our client count number while also operating within the limits of the reduced funding. As a result, each of the three primary Central Intake Units (IMPACT, M&S, and WCS) will be limited to no more than five screens for their agency each business day for an outpatient/day treatment level of care. BHD will continue to monitor expenditures and adjust the cap as necessary, up or down.

Future reductions:

SAMHSA announced at the last national ATR conference that the President's budget request for next year includes \$99 million for a third ATR grant. The program will prioritize funding to treat individuals with methamphetamine addictions (Milwaukee County does not have a substantial methamphetamine issue). Average grant awards will be reduced by approximately \$1.3 million from the current funding level and the project period will be increased from three years to four years. The State of Wisconsin has indicated that it is considering expanding the geographic scope of ATR 3 to include additional county(ies), which would further reduce the amount available to Milwaukee County if an ATR 3 award is made.

Based on past experience, SAMHSA will not release the request for applications until Spring 2010, and will not make awards until September 2010. There are three components that will be critical to achieve in order for Milwaukee County to best position itself for the third ATR application: 1) continue to meet the targeted number of individuals required under the current grant, 2) continue to improve the six month GPRA follow up rate, and 3) increase the number of vouchers redeemed from faith-based organizations.

The impending reductions for AODA funding in 2010 and beyond will significantly decrease the amount available for voucher services in the next couple of years. Even though the exact reductions are unknown at this time, there could be a \$1.5 million dollar reduction in 2010, and an additional \$3 million dollar reduction in 2011, due primarily to the loss of the ATR grant and changes in the Federal AODA Block Grant. While we anticipate applying for the third round of ATR, we cannot budget for a grant that we do not have, and will need to make further reductions in services next year to operate within our approved budget. BHD will be required to make these additional service reductions above and beyond those outlined under the current funding reductions as 2010 will be a transition year to "ramp down" capacity to be equal to the anticipated amount of funding that will be available in 2011. The intent is to do this in a progressive fashion so that services, albeit at a lesser amount, will be available throughout the year. The actions outlined earlier under current reductions are the first steps in this process.

BHD is fully cognizant that these are significant reductions, and will place a substantial financial stress on each affected agency, not to mention the impact on those who need treatment services within our community. We welcome the opportunity to work with the system network to provide creative solutions to reduce expenses while preserving overall capacity, and welcome feedback to this end. Indeed, this is the purpose of the AODA Sustainability Committee comprised of partnering agencies to assist BHD navigate these future funding reductions by making recommendations of service reductions and maximizing other potential revenue sources.